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Evaluation of the relationship between UNOPS and UNDP: a joint review of the recommendations

1. The present conference room paper on the evaluation of the relationship between UNOPS and UNDP has been prepared jointly by UNDP and UNOPS. It contains a review of each of the recommendations of the evaluation report and presents an overall recommendation for action by the Executive Board.

2. The evaluation report has been reviewed carefully by the senior management and staff of both organizations. In addition, the Administrator and the Executive Director met on 23 March 2000 to discuss the report. The report was then reviewed by the Management Coordination Committee (MCC) of UNOPS on 24 March 2000.

3. A staff task force, composed of senior staff of both organizations, was established by the Administrator and the Executive Director specifically to strengthen the relationship between the two organizations. The task force met on 27 March and continues to confer electronically. The position presented below, based on the outcome of these consultations, represents the joint views of the two organizations.

4. The present evaluation is an important contribution towards strengthening the relationship between the two organizations. Of the nine recommendations, there are several that are acceptable to both organizations and can be acted on immediately even though it will take some time to implement them fully. There are other recommendations that will require further discussion between the organizations and also by the MCC as well as consultations with the Secretary-General. Finally, some of the nine recommendations are directed primarily at UNDP or at UNOPS and will be addressed by the respective organization.

Recommendation #1: Status of UNOPS

The present status of UNOPS as a "separate and identifiable entity" that is "self-financing" and linked to UNDP should be maintained. UNOPS should have full responsibility for its internal management.

5. Both organizations agree with this recommendation. No action is required.

Recommendation # 2 (a): Delineation of responsibilities

The MCC should, as a matter of priority establish, define and delineate the roles and responsibilities of UNDP and UNOPS in order to minimize friction and conflict. Possibly, the MCC should also submit this issue to the Executive Board (see para. 175).

6. Both organizations support this recommendation, which the MCC is to consider further and take action

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on. The Administrator and the Executive Director will report to the Executive Board on this issue.

Recommendation # 2 (b): Delineation of responsibilities

Existing overlaps between the two institutions, which are a source of conflict, should be corrected. An example of such overlaps is in the area of crisis and post-conflict situations, where the Emergency Response Division of UNDP and the Division for Rehabilitation and Social Sustainability of UNOPS appear to be performing similar tasks (see para. 161).

7. UNDP and UNOPS have begun a consultation process on the implementation of this recommendation. UNDP and UNOPS do not concur with the evaluator's finding regarding crisis and post-conflict situations.

Recommendation # 2 (c): Delineation of responsibilities

UNDP and UNOPS should urgently conclude the subsidiary agreements envisaged in the 1997 Memorandum of Understanding. These should be further elaborated in detailed procedural manuals clearly indicating the responsibility and authority of the two parties at all levels, including detailed decision-making, reporting and information flows (see paras. 156 and 163).

8. Both organizations agree to implement this recommendation. Given the time it has taken to negotiate the subsidiary agreements, it is likely that the implementation of this recommendation will take at least one year.

Recommendation # 2 (d): Delineation of responsibilities

The Executive Director of UNOPS should issue, in consultation with UNDP, clear instructions on the precise role of the UNDP Resident Representative in his/her capacity as UNOPS Representative (see para. 224).

9. UNOPS has already prepared a draft in which it is proposed that consultations begin with UNDP on this issue shortly.

Recommendation # 3: Management Coordination Committee: Three options

10. It was agreed that this recommendation requires further consultations with the MCC and the Secretary-General before a course of action can be proposed.

Recommendation # 4: Users Advisory Group

It is recommended that the Users Advisory Group be maintained. It should be convened by and meet under the Chairmanship of the Executive Director of UNOPS to serve as a regular forum for consultation between UNOPS and its clients. It should meet at least once a year (see para. 178).

11. The current Chairman of the UAG, the Under-Secretary-General, Department of Economic and Social Affairs, has already indicated that he agrees with this recommendation. At its meeting of 24 March 2000, the MCC also agreed with this recommendation. This recommendation will be acted upon shortly.

Recommendation # 5: Resource mobilization

As a self-financing institution, UNOPS should be allowed to raise funds and mobilize resources for activities relating to the UNDP development agenda but only, as a strict rule, after consultation and in cooperation with UNDP. Resources mobilized through such efforts should be channelled through UNDP and recorded as UNDP resources under a separate UNOPS account (see section 5.3).

12. Both organizations concur that the concept of "self-financing", as noted in Executive Board decisions 94/12 and 94/32, refers to the requirement for UNOPS to cover operating costs through income earned and not to fund-raising activities. Therefore, there is no correlation between the "self-financing principle" it abides by and resource mobilization activities on behalf of UNDP or any United Nations organization. Further discussions are required on this recommendation.

Recommendation # 6: Execution modalities (a) and (b)

13. The Executive Board has requested UNDP to conduct an independent evaluation of non-core funding activities and their impact, which will cover, *inter alia*, execution modalities.

14. The issue as to how UNDP execution modalities affect the UNDP/UNOPS relationship will also be examined in greater detail by the UNDP/UNOPS task force composed of senior staff established by the Administrator and the Executive Director. Recommendations 6 (a) and 6 (b) on executing modalities would best be addressed in the context of the discussion on the independent evaluation. Therefore progress made in the evaluation and in the bilateral dialogue between UNDP and UNOPS will be reported to the Executive Board at its annual session 2001.

Recommendation # 6 (c): Execution modalities

The respective responsibilities of UNDP and of the executing/implementing entity should be clearly defined for each project in a project management matrix (see paras. 164 and 165 and annex 4).

15. It was agreed that the definition of these responsibilities can be accomplished through a subsidiary agreement, which is already in use in management service agreements executed by UNOPS on behalf of UNDP. This could be extended to other projects by means of a subsidiary agreement and progress could be reported to the Executive Board at the third regular session 2000.

Recommendation # 7 (a), (b), (c), (d): Financing principles for country offices

16. These recommendations, which are matters that concern UNDP and the Executive Board, pertain to issues on the agenda of the third regular session of the Executive Board. The discussion on implications on the UNDP/UNOPS relationship will be taken up later in the year between the two organizations as part of their strengthened dialogue.

Recommendation # 8: Financial reporting Recommendation # 9: Administrative issues

17. The two recommendations are acceptable to both organizations and progress is being made. Both UNDP and UNOPS will report at the third regular session on results achieved and measures undertaken.

Summary of status of recommendations

18. It was agreed that:

(a) Recommendations that can be acted on immediately are:

	Timetable
Recommendation 1	No action required
Recommendation 2 (d)	Third quarter 2000
Recommendation 4	Third quarter 2000
Recommendation 6 (c)	Third quarter 2000
Recommendation 8	Second quarter 2001
Recommendation 9	First quarter 2001

(b) Recommendations that require further consultations and discussion and on which the guidance of the Executive Board will be needed are: 3, 5, 2 (a), 2 (b), 2 (c), 6 (a) and 6 (b); 7 (a), 7 (b), 7 (c), 7 (d).

Executive Board action

19. Based on its review of document DP/2000/13, the evaluation report, and the present conference room paper, and following its discussions at the current session, the Executive Board may wish to:

(a) Welcome the initiative taken by UNDP regarding the independent evaluation of the relationship between UNDP and UNOPS;

(b) Take note of the contents of the evaluation and its recommendations;

(c) Provide overall guidance on the recommendations on which further discussion and consultations are required;

(d) Welcome the strengthened dialogue between UNDP and UNOPS that this evaluation has generated and encourages the two organizations to continue the dialogue actively at all levels;

(e) Request the Administrator and the Executive Director to report to the Executive Board at its annual session 2001 on the actions taken as a result of this evaluation.